

CERTIFICATION UNDER SECTION 5(A)(2) OF THE LIBYAN CLAIMS
RESOLUTION ACT RELATING TO THE RECEIPT OF FUNDS FOR
SETTLEMENT OF CLAIMS AGAINST LIBYA

By virtue of the authority vested in me as Secretary of State and pursuant to section 5(a)(2) of the Libyan Claims Resolution Act (P.L. 110-103) (the "Act"), I hereby certify that the United States Government has received funds pursuant to the United States-Libya Claims Settlement Agreement that are sufficient to ensure:

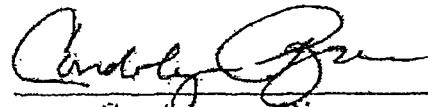
1) payment of the settlements referred to in section 654(b) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P. L. 110-161; 121 Stat. 2342) and;

2) fair compensation of claims of nationals of the United States for wrongful death or physical injury in cases pending on the date of enactment of the Act against Libya arising under section 1605A of title 28, United States Code (including any action brought under section 1605(a)(7) of title 28, United States Code, or section 589 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (28 U.S.C. 1605 note), that has been given effect as if the action had originally been filed under 1605A(c) of title 28, United States Code; pursuant to section 1083(c) of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 342; 28 U.S.C. 1605A note)).

This certification shall be published in the Federal Register and transmitted to the appropriate congressional committees.

OCT 31 2008

Date



Condoleezza Rice
Secretary of State

MEMORANDUM OF JUSTIFICATION

The Libyan Claims Resolution Act (P.L. 110-301) (the "Act") provides Libya with legal protection from terrorism-related claims predating its removal from the state sponsors of terrorism list upon the Secretary of State certifying to the appropriate congressional committees that the United States Government has received sufficient funds to ensure payment of the Pan Am and LaBelle settlements and fair compensation for other U.S. death and physical injury claims in pending cases against Libya.

On August 14, 2008, the U.S.-Libya Claims Settlement Agreement (the "Agreement") was signed by the U.S. Government and the Government of Libya. The Agreement establishes a process whereby each Party receives resources for the full and final settlement of its claims and suits and those of its nationals and, upon receipt, each party is obligated to take certain actions, including the restoration of sovereign immunity and the dismissal of all covered suits. On October 31, 2008, the United States received the agreed-upon amount of \$1.5 billion for distribution as a full and final settlement of its claims and suits and those of U.S. nationals.

This amount is sufficient to ensure the remaining payment of \$536 million for the Pan Am 103 settlement and \$283 million for the La Belle settlement, the two settlements referred to in section 654(b) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P. L. 110-161; 121 Stat. 2342). The remaining \$681 million is sufficient to ensure fair compensation for the claims of nationals of the United States for wrongful death or physical injury in those cases described in the Act which were pending against Libya on the date of enactment of the Act (August 4, 2008) as well as other terrorism-related claims against Libya.

The receipt of these funds provides the basis for the certification by the Secretary of State that the United States Government has received funds pursuant to the Agreement that, as required by Section 5(a)(2) of the Act, are sufficient to ensure:

- i. payment of the settlements referred to in section 654(b) of division J of the Consolidated Appropriations Act, 2008 (Public Law 110-161; 121 Stat. 2342) and;

- ii. fair compensation of claims of nationals of the United States for wrongful death or physical injury in cases pending on the date of enactment of the Act against Libya arising under section 1605A of title 28, United States Code (including any action brought under section 1605(a)(7) of title 28, United States Code, or section 589 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (28 U.S.C. 1605 note), that has been given effect as if the action had originally been filed under 1605A(c) of title 28, United States Code, pursuant to section 1083(c) of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 342; 28 U.S.C. 1605A note)).